Approved For Release 2001/03/02 : CIA-RDP72-00337R000300020013-0

BEST COPY

AVAILABLE

Many U.S. Civilian Roles In Asia May Go to Military

By TAD SZULC

Special to The New York Times

WASHINGTON, June 9-The Nixon Administration is/ drawing up plans for the shift of numerous American economic and social programs in South Vietnam and Laos

from civilian to military con-

Under the plans, the United States Defense Department would gradually take over, wholly or in part, the financing and operation of such programs as the balancing of the South Vietnamese defense budget, pacification of rural areas, public health, the training of the police and the care of refugees.

Those programs are financed and administered alone or in cooperation with the Defense Department by the Agency for International Development. In many instances the Central Intelligence Agency and the Information States United Agency also participate.

During the fiscal year ending on June 30, the aid agency, it is estimated, will have spent \$365-million in Vietnam.

The Administration plans to incorporate some of the changes in its revision of the foreign-aid program, which is expected soon. Part of the program will require Congressional approvat.

The plans are expected to generate considerable controversy in and out of Congress because they deal with the subject of civilian vs. military control of policy. The contemplated shift could transfer the responsibility of Senate review from the Foreign Relations Committee, which has generally been critical of American operations in Southeast Asia, to the Armed Services Committee, which has generally been sympathetic.

Civilian officials have been citing private remarks by high-ranking officers involved in policy planning for Victnam, to the effect that civilian leadership is failing and that wellincreasingly assigned to positions of responsibility in the administration of wartime and postwar programs.

A major argument among Administration officials favoring an increase in the military role in Asian and other supportassistance programs is said to be that the Defense Department is expected to have an easier time getting funds from Congress, where opposition to foreign-aid appropriation has been growing in recent years.

Indications are that the new approach has support in the White House staff as well as among many though not all civilian and military officials in the Defense Department. Top officials in the aid agency are described as resigned to the change, partly because A.I.D. as an entity would disappear under the projected reorganization of the foreign-aid program.
Secretary of State William P.

Rogers has participated in the discussions only to a limited extend. The whole question is expected to be reviewed by the National Security Council.

Dr. John A. Hannah, the aid administrator, discussed the problem with President Nixon at the White House May 25 in one of their rare meetings.

In recent public statements Dr. Hannah has made it clear that the "support assistance" programs would be divested from the agency that would be set up to handle overseas economic development under the reorganization, expected to take effect in about a year. He has recognized that some of the support functions would be turned over to the Defense Department.

Other aid officials foresaw a tug-of-war between the Pentagon and civilian agencies over the extent to which the mili-tary establishment would assume responsibility for the activities now performed by the aid agency.

They said that the State Deparment, which is to coordinate the support assistance under the reorganization blue-print, does not have "enough clout," funds or experienced personnel to run the programs.

Larger C.I.A. Role Forescen

The officials also foresaw that the C.I.A. would seek to increase its role in the support

Approved For Release 2001/03/02: CIA-RDP72-00367R000300020013-00 region to come Continued on Page 5, Column Handalt conceded that the line of the support to come National West Continued to Continued t

In Viernam, the C.I.A active partner in the tion program, which it eight years ago, and as in many other operate.
While the control of

among challed o is viewed as military entro ment, A.i.D. recordizes as ability to omate success funds and personnel to it. and operate some program. Viernām.

Marly this year, for exp the United Marks As a street to South Merchant, as Bunher, turned down proposals from the U. States Military Application C mand in Salaba that he ter 135 Army officer: as accerts; to the aid agoney's paramet safety program, which same build up the spoth Vis. a.m. civilian police.

The Defense Deput plens to Mance of very ects that leave of the tered and funded by agency, among chara ply of high-granchi lee i ... South Victories in Aurig. tative assistance fiscal 1971 the Darleman ment will librated up to done million in programs save parviously were paid for later and funcis.

in many recent situations, officials said, AADA had to turn to the military for some istrators and physicians to ranrefugee and public-health projects because of a shortage of civilians willing to serve in Vietnam.

Rapidly Growing Ability

Such developments indicate the rapidly growing capability of the military, especially the Army, to administer typically civilian programs.

This month the newly reor-ganized John F. Kennedy Center for Military Assistance at Fort Bragg, N. C.—originally established by the Army to teach antiquerrilla warfare will graduate the first class of Army officers trained in the political, social, economic, cultural and linguistic aspects of overseas military activities.

Commenting on the trend, a civilian official said that "the realities of the situation" would increasingly force the Administration to turn to the military for the financing and management of certain programs because of the inability of civilian agencies to ameter adequate funds and personnel

tediscover accurry had been

Activities in this are

Approved For Release 2001/03/02 : CIA-RDP72-00337R000300020013-0

development headed by Rudolph
A. Peterson, retired president
of the Bank of America, the
Presidential message is expected to recommend a clear
separation of international
economic development assistance from military and support
aid. It is the latter that, in situations like Vietnam, has been
administered by A.I.D. while
the Pentagon has handled military sales and grants.

The Peterson report call for
The Peterson report call for

State Department that
would supersede the present
in the State Department the
lepartment the lepartment the
live development assistin the State Department the
would vest
sid agency. The law would vest
in the State Department the
live development assistthe Pentagon financing will be followed by insistence that prolive development programs.

While the Defense Department would control military assistance and poblicated in the State Department,
would supersede the present
in the State Department the
lepartment the
lepartment that
would vest
sid rection.

Officials discussing the situation are convinced that the
Pentagon financing will be follepartment the
lepartment the
lepartment the
lepartment that
would control military assistance and coordination of
the security-assistance program.

While the Defense Department would control military assistance and coordination of
the security-assistance program.

Civilian officials have been
cilting private remarks by highranking officers involved in
policy planning for Vietnam,
to the effect that civilian leadenchored by the military
assistance and property
tion are convinced that the
Pentagon financing will be folleaved by insistence that proleaved by insistence that propolicity development assisttion are convinced.

Officials discussing the situation are convinced that the
Pentagon financing will be folleaved by insistence that propolicity developm

Deriving from the report of a law covering both military as- be shifted to the Pentagon even the task force on international sistance and support assistance, if, in theory, the State Depart-

development headed by Rudolph and for an agency on inter-ment retained over-all policy

Approved For Release 2001/03/02 : CIA-RDP72-00337R000300020013-0

CROSS REFERENCE

SOUTHEAST ASIA----Many Civilian Roles in Southeast Asia may go to Military under Nixon Proposal-CIA role will be larger

New York Times

10 June 70

Also filed under Vietnam

Approved For Release 2001/03/02/#/CXA/RDR76-00337R000300020013-0

Subversion by C.I.A.

The disclosure that the American economic aid mission in Laos is being used a a cover for intelligence operations in Laos is nothing less than a body blow to the credibility of the peaceful presence of the United States in neutral and friendly nations. The decision to allow the Central Intelligence Agency to subvert an important foreign mission was made during the Kennedy Administration in 1962. The fact that it has thus persisted under three Presidents dramatizes the extent to which the debasement of national and diplomatic ethics has become a non-partisan evil.

John A. Hannah, Administrator of the Agency for International Development, has special reason to recognize the harm done by these undercover games. He knows from bitter experience that they undermine the universities and their scholars who, as keys to the success of both AID and the United States Information Agency, become the unwitting accomplices to the shady business. Dr. Hannah was president of Michigan State University when it became known that one of its foreign task forces had been infiltrated by the C.I.A. in South Vietnam between 1955 and 1959.

Although Dr. Hannah's candid admission is to his credit. his claim that the situation in Laos is a unique transgression strains credulity. To say, as he did, that "our preference is to get rid of this kind of operation" is an understatement that raises serious questions. What arrogance of power is it that resists "our preference," the preference of decent Americans? What are the limits of a usurpation of such power by the military and the C.I.A.?

Unless these questions are frankly answered, the nation's friends abroad and its youth at home will become increasingly cynical about all American claims and goals. It is the road to alienation and isolationisms. This is a price this country cannot afford to pay it.

9 JUN 1970

The CIA and foreign aid

A NY country running a big-league foreign policy has "clean" and "dirty" activities overseas. The trick is to keep them separate so the second does not rub off on the first.

Dr. John A. Hannah, head of our foreign aid program, has officially disclosed that agents of the Central Intelligence Agency (CIA) are posing as aid workers in Laos.

This regrettable practice started under President Kennedy in 1962 and continued under the Johnson and Nixon Administrations. Dr. Hannah would like to "get rid of this kind of operation," and Mr. Nixon would do well to free foreign aid from association with espionage and clandestine warfare.

Unlike professional CIA-baiters, we do not quarrel with the operation itself.

At great personal risk, CIA agents have been recruiting and training anti-communist guerrillas, observing enemy movements and acting as ground controllers for air strikes. Their activities are in response to North Vietnam's illegal invasion of neutral Laos and its threat to South Vietnam.

What we object to is the foreign-aid cover for the operation. The U.S. aid program and the Peace Corps are two to this country's most idealistic, unselfish efforts. The Communist bloc has long recognized them as such and has sought to discredit them. Now, by mixing aid with secret-agentry, we have foolishly given the Kremlin a stick to beat us with.

Do CIA agents really need a cover in Laos? In Vientiane every newsman, communist diplomat and barkeep seems to know what the CIA is up to. If the agency insists on a story, they could claim to be scientists studying the sex habits of elephants or the life style of opium smugglers.

This would be as believable as and less harmful than calling them rural development workers,